

BOARD MEETING DATE: October 2, 2015

AGENDA NO. 27

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, September 18, 2015. Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Dennis Yates, Chair
Stationary Source Committee

MN:am

Attendance

The meeting began at 10:30 a.m. In attendance at SCAQMD Headquarters were Committee Chair Dennis Yates and Committee Members Judith Mitchell and Ben Benoit. Committee Member Shawn Nelson attended via videoconference. Absent was Committee Member Dr. Joseph Lyou.

INFORMATIONAL ITEMS

1. Proposed Amendments to Rule 1156 – Further Reductions of Particulate Emissions from Cement Manufacturing Facilities

Ms. Jill Whynot, Assistant Deputy Executive Officer of Planning, Rule Development and Area Sources, provided an update on PAR 1156 – Further Reductions of Particulate Emissions from Cement Manufacturing Facilities, including background information, key proposed amendments, and staff responses to issues raised by Riverside Cement (RC) at the September Board meeting.

Mr. Michael Meinen (from RC) provided handouts (Board Resolution from the March 2009 Rule 1156 amendment, annotated pages from the staff report, aerial and other photos, three tables of data, and some proposed rule language related to facility closure and monitoring requirements). He expressed concern that the facility may not be able to comply with the proposed lowered hexavalent chromium (Cr⁺⁶) fence-line threshold.

Mr. Howard Valentine (with AECOM, consultant for RC) discussed results of some duplicate sampling analysis, a proposal for setting the background level to be used for RC, and commented that a 1975 study used by OEHHA to determine the cancer potency value for hexavalent chromium was not based on cement workers.

Mr. David Perkins (from RC) asked for higher background and fence-line levels based on information provided in their handout and described the basis for their suggestion for revised rule language related to facility closure.

Ms. Judith Praitis (attorney working for RC) requested a delay in rule development so that they can validate background levels and the fence-line standard proposed by SCAQMD staff. She stated that some parts of the rule are not clear, and some requirements are subjective because they include Executive Officer discretion.

Mr. Jay Grady (Cal Portland Cement) stated support for PAR 1156, and suggested a revision to the rule for facilities to use the past year's data (instead of an additional 12 months of monitoring) as the basis for reducing the number of monitoring stations. He is supportive, in concept, of the RC proposal for post closure requirements.

Councilmember Mitchell asked about the laboratory data and the suggestion for setting the background and fence-line limits in the RC handout. Staff indicated that they need time to review the materials and the industry proposal, since they just received it, but initial reactions are that it is not appropriate to use the facility monitoring data for determining background. Dr. Phil Fine, Deputy Executive Officer for Planning, Rule Development and Area Sources, and Ms. Whynot explained the efforts that staff conducted with RC to split samples and do side-by-side monitoring. These results showed very good agreement with no bias between samplers, but the inter-laboratory differences were being provided by the facilities for the first time. Dr. Fine mentioned that laboratory differences can be investigated and likely corrected, and that using SCAQMD's lab continues to be an option for the facilities.

Ms. Whynot added that RC could clean up the facility before the sale of the property to reduce the time that monitoring would be required. Staff is considering adding rule language that would enable a facility to appeal a decision related to facility closure and monitoring to the SCAQMD Hearing Board.

Mayor Benoit asked staff about Cal Portland's recommendation, which staff will evaluate.

Mayor Yates asked what other agencies would be involved in cleanup efforts. He expressed concern about job loss for this industry and the need for SCAQMD to avoid obstructing re-development efforts. However, public health is the number

one priority. Dr. Wallerstein, SCAQMD Executive Officer, responded that DTSC is one agency with oversight. Dr. Wallerstein reiterated the need to protect public health from dust containing hexavalent chromium leaving the property. Mayor Yates encouraged staff to continue working with the industry before the November Board meeting.

2. Status Update on Proposed Amended Rule 1420.2 – Emission Standards for Lead from Metal Melting Facilities

Ms. Susan Nakamura, Director of Strategic Initiatives in Planning, Rule Development and Area Sources, provided an update on recent revisions to Proposed Rule 1420.2 – Emission Standards for Lead from Metal Melting Facilities based on comments received from the Battery Council International (BCI) and Senior Aerospace. Mayor Yates mentioned that he did not recall Senior Aerospace's participation in the rule development process. SCAQMD staff explained that this facility currently melts four times the rule applicability threshold and wants to increase their current lead throughput by a factor of five. Councilmember Mitchell asked what specifically are BCI's concerns regarding national implications of the proposed rule. Ms. Nakamura responded that it is staff's understanding that BCI is concerned that other air agencies throughout the nation may adopt similar rules and that there may be implications for the lead National Ambient Air Quality Standard. Mayor Benoit thanked staff for addressing many issues raised by stakeholders.

3. Rule 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines

Mr. Joe Cassmassi, Planning and Rules Director of the Planning, Rule Development and Area Sources, presented the Committee a brief summary of the proposal to provide biogas engines additional time to meet the emissions limit for Rule 1110.2. The focus of his presentation and later discussion was on a new provision to the rule to address U.S. EPA's new breakdown policy called for in its recent 2014 NOx SIP call. While not specifically directed at SCAQMD rules, U.S. EPA was targeting breakdowns that result in significant emissions releases calling on agencies to establish criteria and rules to minimize the number of occurrences of these events as well as the amount of emissions released. Mr. Cassmassi received notice from U.S. EPA Region IX that the breakdown provisions in a prior submittal of Rule 1110.2 which was being reviewed for inclusion in the SIP would not be approved given the new federal regulations. Staff worked with U.S. EPA to craft a response to the existing breakdown language. The proposal would provide three incidences per quarter where excessive exceedances of the emissions limit would not be considered in violation of the rule, provided the breakdowns were associated with equipment or software malfunctions that were verifiable. The language provided a reset after each quarter resulting in a possible 12 breakdowns without violations in a calendar year.

At the Committee meeting, stakeholders commented that the SCAQMD proposal was very fair but were split on supporting the proposal or an alternate provided by SCAP and Los Angeles County Sanitation Districts representative David Rothbart. Mr. Rothbart recommended that all exceedances resulting from a breakdown be a violation and then sources could rely on SCAQMD Rule 430 to provide time to remedy the breakdown. Staff responded this action would leave the sources open to U.S. EPA actions and possible citizen suits. Mr. Dan McGivney of SoCal Gas concurred with Mr. Rothbart but added that the biogas portion of the rule should go forward, essentially bifurcating the different portions of the rule being submitted to U.S. EPA. Mr. Cassmassi pointed out that staff had received written notification of the potential rule disapproval by U.S. EPA and that he was reluctant to bring an amendment of Rule 1110.2 to the Board that was unapprovable at the federal level.

Ms. Lisa Rothbart of Orange County Sanitation District requested that their organization be given additional time for compliance since they were also part of the demonstration program. Staff said that they would consider this option. Ms. Suparna Chakladar of Fortistar requested that their equipment be given extensions to comply with the rule emissions limit until 2024 when the power purchase agreements (PPA) terminate and they can renegotiate with the landfill operators. Mr. Cassmassi pointed out that the mitigation fee option proposed was adjusted to a quarterly basis specifically for Fortistar in effect to minimize their fiscal exposure while controls were being installed. Questions were posed by Committee Members as to when Fortistar entered into the PPA and if they were aware of the proposed rule amendments. Mr. Cassmassi responded that staff had been in discussions with Fortistar over the rule compliance issues for several years. Supervisor Nelson commented that he was concerned both about the costs that Fortistar would incur and the impact of not using the renewable source of energy if Fortistar was compelled to shut down.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

PUBLIC COMMENTS

There were no Public Comments.

The next Stationary Source Committee meeting is scheduled for October 16, 2015, and the meeting was adjourned at 12:20 p.m.

Attachments

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
September 18, 2015
ATTENDANCE ROSTER (Voluntary)**

NAME	AFFILIATION
Mayor Dennis Yates	SCAQMD Governing Board Member
Councilmember Judith Mitchell	SCAQMD Governing Board Member
Mayor Ben Benoit	SCAQMD Governing Board Member
Supervisor Shawn Nelson (Videoconference)	SCAQMD Governing Board Member
Board Consultant Mark Abramowitz	SCAQMD Governing Board (Lyou)
Board Consultant Andrew Silva	SCAQMD Governing Board (Rutherford)
Barry Wallerstein	SCAQMD staff
Barbara Baird	SCAQMD staff
Kurt Wiese	SCAQMD staff
Philip Fine	SCAQMD staff
Mohsen Nazemi	SCAQMD staff
Susan Nakamura	SCAQMD staff
Joe Cassmassi	SCAQMD staff
Cher Snyder	SCAQMD staff
Amir Dejbakhsh	SCAQMD staff
Bill Wong	SCAQMD staff
Rudy Eden	SCAQMD staff
Sam Atwood	SCAQMD staff
Bayron Gilchrist	SCAQMD staff
Bill Lamarr	California Small Business Alliance
Tiffany Tran	Inland Empire Utilities Agency
Pietro Cambiaso	Inland Empire Utilities Agency
Chuck Tobin	Industrial Battery Engineering

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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Leizl Lontok	Los Angeles Department of Water & Power
Peter Whittingham	Curt Pringle & Associates
Clayton Miller	Construction Industry Air Quality Coalition
Rita Loof	Radtech
Melissa Estrada-Maravilla	City of Corona, DWP